

Message Text

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ACTION EB-08

INFO OCT-01 ARA-14 EUR-12 EA-12 IO-14 ISO-00 AGRE-00

COME-00 STR-05 TRSE-00 ITC-01 SP-02 L-03 H-02

CIAE-00 DODE-00 INR-07 NSAE-00 PA-02 USIA-15

PRS-01 /099 W

-----103686 141314Z /41

R 131553Z OCT 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9271

INFO AMEMBASSY OTTAWA

AMEMBASSY TOKYO

AMEMBASSY MANILA

AMEMBASSY BRUSSELS

USMISSION GENEVA

AMEMBASSY CANBERRA

AMEMBASSY BRASILIA

AMEMBASSY SANTO DOMINGO

USINT HAVANA

UNCLAS LONDON 17014

-

USOECN ALSO FOR EMBASSY

FOR: EB/TRP - THOMAS O'DONNELL

E.O. 11652: N/A

TAGS: ETRD, EAGR, EPAP, ISO

SUBJECT: SUGAR -- LONDON PRESS ON NEW SUGAR AGREEMENT

1. WHILE DAY TO DAY COVERAGE OF THE RECENT SUGAR
NEGOTIATIONS IN THE LONDON PRESS WAS RELATIVELY GOOD,
THERE HAS BEEN LITTLE REPORTING IN DEPTH ON THE NEW
INTERNATIONAL SUGAR AGREEMENT. COMMODITY PAGE COVERAGE
IN SUCH DAILIES AS THE FINANCIAL TIMES (FT) CREDITED
SUCCESSFUL CONCLUSION OF THE NEGOTIATIONS FOR THE SLIGHT
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STRENGTHENING OF THE MARKET LAST WEEK. NOW, HOWEVER,
THE NEW ISA IS BLAMED FOR THE MORE RECENT MARKET DOWN-
TURN.

2. AN OCTOBER 13 FT STORY HEADLINED "WORLD SUGAR PRICES
FALL ON AGREEMENT FEARS", REPORTED THAT A SUGAR PRICE
DECLINE ON THE LONDON TERMINAL MARKET OCTOBER 12 WAS

DUE TO "FEARS OF INCREASED SELLING BY PRODUCERS PRIOR TO THE INTERNATIONAL SUGAR AGREEMENT COMING INTO FORCE IN JANUARY AND RESTRICTING EXPORTS". THE LONDON DAILY PRICE ON OCTOBER 12 WAS CUT BY 3 POUNDS TO 100 POUNDS PER METRIC TON, WITH BOTH THE DECEMBER AND MARCH POSITIONS DECLINING AS WELL. THE FT NOTED THAT SALE OF 75,000 METRIC TONS BY THE DOMINICAN REPUBLIC HAS STIMULATED RUMORS IN LONDON OF HEAVY SELLING BY THE END OF THE YEAR, PARTICULARLY BY BRAZIL AND INDIA. THE ARTICLE ALSO NOTED GROWING DOUBTS AMONG SOME LONDON BROKERS ABOUT THE POTENTIAL EFFECTIVENESS OF THE NEW ISA IN THE PRESENT SURPLUS SITUATION.

3. COMMENT: THE FT STORY IS FAIRLY TYPICAL OF COMMODITY PAGE FILLER ARTICLES, BUT PROBABLY ACCURATELY REFLECTS THE MENTALITY OF LONDON MARKETS, WHERE RUMOR IS ALWAYS A PRIZED COMMODITY AND A HANDY JUSTIFICATION FOR ANY MARKET MOVEMENT.

BREWSTER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Current Classification: UNCLASSIFIED
Concepts: SUGAR, AGREEMENTS, PRESS COMMENTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Oct-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LONDON17014
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Expiration:
Film Number: D770377-0329
Format: TEL
From: LONDON USOECD
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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Status: NATIVE
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TAGS: ETRD, EAGR, EPAP, ISO
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